

licable and which is consistent with applicable provisions of Federal procurement law.

(2) Each procurement program required under this subsection shall, at a minimum, contain—

(A) a biobased products preference program;

(B) an agency promotion program to promote the preference program adopted under subparagraph (A); and

(C) annual review and monitoring of the effectiveness of an agency's procurement program.

(3) In developing the preference program, the following options shall be considered for adoption:

(A) **CASE-BY-CASE POLICY DEVELOPMENT.**—Subject to the limitations of subsection (c)(2)(A) through (C) of this section, a policy of awarding contracts to the vendor offering an item composed of the highest percentage of biobased products practicable. Subject to such limitations, agencies may make an award to a vendor offering items with less than the maximum biobased products content.

(B) **MINIMUM CONTENT STANDARDS.**—Minimum biobased products content specifications which are set in such a way as to assure that the biobased products content required is consistent with the requirements of this section, without violating the limitations of subsection (c)(2) (A) through (C) of this section.

Federal agencies shall adopt one of the options set forth in subparagraphs (A) and (B) or a substantially equivalent alternative, for inclusion in the procurement program.

(h) Labeling

(1) In general

The Secretary, in consultation with the Administrator, shall establish a voluntary program under which the Secretary authorizes producers of biobased products to use the label “U.S.D.A. Certified Biobased Product”.

(2) Eligibility criteria

Within one year after May 13, 2002, the Secretary, in consultation with the Administrator, shall issue criteria for determining which products may qualify to receive the label under paragraph (1). The criteria shall encourage the purchase of products with the maximum biobased content, and should, to the maximum extent possible, be consistent with the guidelines issued under subsection (e) of this section.

(3) Use of the label

The Secretary shall ensure that the label referred to in paragraph (1) is used only on products that meet the criteria issued pursuant to paragraph (2).

(4) Recognition

The Secretary shall establish a voluntary program to recognize Federal agencies and private entities that use a substantial amount of biobased products.

(i) Limitation

Nothing in this section shall apply to the procurement of motor vehicle fuels or electricity.

(j) Funding

(1) Authorization of appropriations

There are authorized to be appropriated such sums as may be necessary to carry out this section.

(2) Funding for testing of biobased products

(A) In general

Of the funds of the Commodity Credit Corporation, the Secretary shall use \$1,000,000 for each of fiscal years 2002 through 2007 to support testing of biobased products to carry out this section.

(B) Use of funds

Amounts made available under subparagraph (A) may be used to support contracts or cooperative agreements with entities that have experience and special skills to conduct such testing.

(C) Priority

At the discretion of the Secretary, the Secretary may give priority to the testing of products for which private sector firms provide cost sharing for the testing.

(Pub. L. 107-171, title IX, §9002, May 13, 2002, 116 Stat. 476.)

§ 8103. Biorefinery development grants

(a) Purpose

The purpose of this section is to assist in the development of new and emerging technologies for the use of biomass, including lignocellulosic biomass, so as to—

- (1) develop transportation and other fuels, chemicals, and energy from renewable sources;
- (2) increase the energy independence of the United States;
- (3) provide beneficial effects on conservation, public health, and the environment;
- (4) diversify markets for raw agricultural and forestry products; and
- (5) create jobs and enhance the economic development of the rural economy.

(b) Definitions

In this section:

(1) Advisory Committee

The term “Advisory Committee” means the Biomass Research and Development Technical Advisory Committee established by section 306 of the Biomass Research and Development Act of 2000 [7 U.S.C. 8101 note] (Public Law 106-224).

(2) Biorefinery

The term “biorefinery” means equipment and processes that—

- (A) convert biomass into fuels and chemicals; and
- (B) may produce electricity.

(3) Board

The term “Board” means the Biomass Research and Development Board established by section 305 of the Biomass Research and Development Act of 2000 [7 U.S.C. 8101 note] (Public Law 106-224).

(4) Indian tribe

The term “Indian tribe” has the meaning given the term in section 450b of title 25.

(c) Grants

The Secretary shall award grants to eligible entities to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

(d) Eligible entities

An individual, corporation, farm cooperative, association of farmers, national laboratory, institution of higher education (as defined in section 1001 of title 20), State or local energy agency or office, Indian tribe, or consortium comprised of any of those entities shall be eligible to receive a grant under subsection (c) of this section.

(e) Competitive basis for awards**(1) In general**

The Secretary shall award grants under subsection (c) of this section on a competitive basis after consulting the Board and Advisory Committee.

(2) Selection criteria**(A) In general**

In selecting projects to receive grants under subsection (c) of this section, the Secretary—

- (i) shall select projects based on the likelihood that the projects will demonstrate the commercial viability of a new and emerging process for converting biomass into fuels, chemicals, or energy; and
- (ii) may consider the likelihood that the projects will produce electricity.

(B) Factors

The factors to be considered under subparagraph (A) may include—

- (i) the potential market for the product or products;
- (ii) the level of financial participation by the applicants;
- (iii) the availability of adequate funding from other sources;
- (iv) the beneficial impact on resource conservation, public health, and the environment;
- (v) the participation of producer associations and cooperatives;
- (vi) the timeframe in which the project will be operational;
- (vii) the potential for rural economic development;
- (viii) the participation of multiple eligible entities; and
- (ix) the potential for developing advanced industrial biotechnology approaches.

(f) Cost sharing**(1) In general**

The amount of a grant for a project awarded under subsection (c) of this section shall not exceed 30 percent of the cost of the project.

(2) Form of grantee share**(A) In general**

The grantee share of the cost of a project may be made in the form of cash or the pro-

vision of services, material, or other in-kind contributions.

(B) Limitation

The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

(g) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(h) Authorization of appropriations

There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.

(Pub. L. 107-171, title IX, §9003, May 13, 2002, 116 Stat. 478.)

§ 8104. Biodiesel fuel education program**(a) Establishment**

The Secretary shall, under such terms and conditions as are appropriate, make competitive grants to eligible entities to educate governmental and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

(b) Eligible entities

To receive a grant under subsection (a) of this section, an entity—

- (1) shall be a nonprofit organization or institution of higher education (as defined in section 1001 of title 20);
- (2) shall have demonstrated knowledge of biodiesel fuel production, use, or distribution; and
- (3) shall have demonstrated the ability to conduct educational and technical support programs.

(c) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(d) Funding

Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$1,000,000 for each of fiscal years 2003 through 2007.

(Pub. L. 107-171, title IX, §9004, May 13, 2002, 116 Stat. 480.)

§ 8105. Energy audit and renewable energy development program**(a) In general**

The Secretary shall make competitive grants to eligible entities to carry out a program to assist farmers, ranchers, and rural small businesses in becoming more energy efficient and in using renewable energy technology and resources.

(b) Eligible entities

Entities eligible to carry out a program under subsection (a) of this section are—

- (1) a State energy or agricultural office;